Current Practices in Assessing and Using Developer Impact Fees
Responses to Participant Questions

1. What happens in those cases where a developer builds a road and is issued credit via a reimbursement agreement, then issues CFD Bonds for reimbursement for that project? Does this constitute double dipping?

No, assuming that the CFD is a lien on the developers' property. A CFD or assessment district financing is a land secured financing payable only by the property. If the property paying the debt service is the property conditioned to build the improvement, my experience is that the developer is given fee credits (or fee reimbursement credit) for the improvement so long as the improvement was a part of the fee program. (John Knox)

2. In general, can you clarify the question of why bonds are not a double dip for developers?

Please see answer above.

3. Can you reference more information on the actual accounting for impact fees? New bank accounts? Or, use of existing bank accounts with new funds?

I would recommend talking with Pam Ehler in Brentwood or another finance person at a City, which has a well-established fee program. I do not believe there is a requirement for separate bank accounts per se, but there is a requirement that the funds are accounted for separately than other funds of the local agency, and that interest is posted to those accounts. (John Knox)

4. Can a city collect fees for a park based on general plan standards without identifying an approximate or specific location for the park? If identifying a location is it necessary? How can the city avoid the increase in value of the property, which will inevitably result from the desire to acquire the property?

Identifying the location of the park or facility where the funds will be spent is not required. (David Levy)

5. On the Brentwood CIFP, when are the fees collected from the developer? What is the basis for the fee, (e.g.: per acre)?

The Brentwood CIFP requires as a condition of entitlement that the developer participate in a Capital Improvement Financing Plan or CIFP. The CIFP indicates which fees will need to be prepaid for that development in order to provide sufficient funding for the City to accomplish needed infrastructure improvements to mitigate impacts. Most Brentwood developers then take advantage of the City's land secured financing program to fund their CIFP obligation, but they are not required to do so. The City gets access to fund when the bonds are issued, which is usually in July or August of each year. If a developer determines to pay cash, they must pay prior to recording any final maps. (John Knox)

Somebody asked whether the school fees in Government Code section 65995 apply to a senior housing project (55 and over). They do, but at the rate charged to commercial and industrial development, which is about 1/6 the amount charged to residential development. See Government Code § 65995.1(a). (David Levy)